



# **CITY COUNCIL AGENDA REPORT**

MEETING DATE: MARCH 16, 2010

ITEM NUMBER:

SUBJECT: WAIVER OF PLANNING FEES FOR A MOTEL CONVERSION PROJECT

DATE: MARCH 3, 2010

FROM: DEVELOPMENT SERVICES DEPARTMENT

PRESENTATION BY: MINOO ASHABI, AIA, SENIOR PLANNER  
KHANH NGUYEN, ACTING DIRECTOR

FOR FURTHER INFORMATION CONTACT: MINOO ASHABI (714) 754-5610  
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## **RECOMMENDATION:**

Waive Planning Application fee in the amount of \$1,550.00 for processing a Conditional Use Permit (CUP). The application is related to conversion of a motel property into Single Room Occupancy (SRO) or Family Room Occupancy (FRO) units.

## **BACKGROUND:**

On February 16, 2010, the City Council continued this item requesting additional information from the applicant. The applicant was not able to attend the March 2, 2010 meeting of the City Council; therefore the item was continued for two additional weeks.

The previous staff report and minutes of the meeting are available at the following links:

<http://www.ci.costa-mesa.ca.us/council/agenda/2010-02-16/021610CUPFeeWaiver.pdf>  
<http://www.ci.costa-mesa.ca.us/CMCalendar.htm>

## **ANALYSIS:**

The property currently operates as "Coast Motel" located at 2278 Newport Blvd. The motel shares the parking area with "Napa Valley Pizza and Pasta" within the same parcel. A wrought iron security fence separates the motel from the restaurant. The property owner is requesting a waiver of the CUP fee because his proposal will create new SRO units in the City.

At the February 16, 2010 meeting, the City Council requested additional information. The following lists City Council concerns and the applicant's responses:

- *What are the reasons that the applicant no longer wishes to run a motel and would rather convert to extended stay?*

The City's outreach and invitation to community workshop related to motel conversion into SRO units initiated the thought. The applicant indicated that with the downturn of the economy they are dealing with a more transient population. They prefer to work with a stable resident population. In addition, the applicant

indicated they are not in the motel business. They currently own and operate two rental properties in Costa Mesa and all of the properties owned in the last 15 years have been apartments.

- *What problems/complications has the applicant encountered with the current business?*

The applicant indicated that they screen each prospective tenant very carefully for both criminal and credit checks; however, the person signing the lease agreement is not necessarily the person occupying the unit. In these cases, the applicant immediately gives a three-day notice. However, since the legal actions are typically slow, the eviction becomes a long process. There are typically two evictions a month because of non-payment, overcrowding of unit and/or drug/alcohol/violence issues. These evictions have been a major financial cost to their business.

- *What specific interior alterations and upgrades to the property have been completed and are planned?*

All units are currently set up as apartments already with full kitchen, bath, closet, and living area/bedroom. Each unit is 450 square feet in area. Interior photos of two typical units are provided as Attachment 2. The applicant is not aware of the reasons or the timing that the property has been operating as a motel. Establishment of the motel predates City records.

Pursuant to a 1991 City Council policy, if the fee waiver is approved, the proposed project needs to be considered by the Planning Commission for preliminary feedback before a conditional use permit is processed. Approval of the fee waiver does not constitute approval of a CUP.

## **ALTERNATIVES**

City Council may consider the following alternatives:

1. Waive the Conditional Use Permit application fee for the proposed application.
2. Do not waive the fee and require the applicant to pay the full fee amount.

## **FISCAL REVIEW**

The waiver of the Conditional Use Permit fee in the amount of \$1,550.00 is a one time waiver. Fee waivers requests are considered by the City Council on a case-by-case basis. Since this is a small motel, no significant impact from the loss of transient occupancy tax is anticipated from this conversion.

## **LEGAL REVIEW**

No legal review is required.

## CONCLUSION

The requested fee waiver is related to conversion of a motel project into apartments. Given that the motel operation and the community will benefit from a more stable population instead of transient motel population; the requested fee waiver may be justified.

Staff supports the approval of the fee waiver because:

- 1) The proposed SRO project will create new housing units in the community; and,
- 2) While the SRO's are not proposed to include affordability covenants, the 11 units will help meet the demand for single-room occupancy apartments by seniors and single parent families.



MINOO ASHABI, AIA  
Senior Planner



KHANH NGUYEN  
Acting Development Svs. Director

Distribution: City Manager  
Assistant City Manager  
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Public Services Director  
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Staff (4)  
File (2)

Corey Donaldson  
Newport Boulevard Land Trust  
1927 Harbor Blvd. #610  
Costa Mesa, CA 92627

Attachment: 1. Vicinity Map  
2. Site and Interior Photos

File: 031610CUPFeeWaiver

Date: 030410

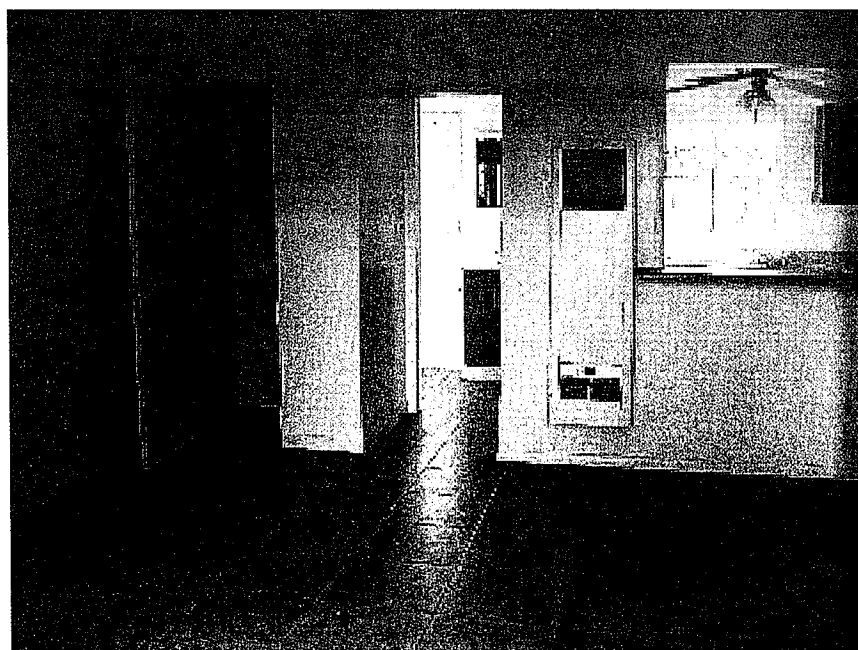
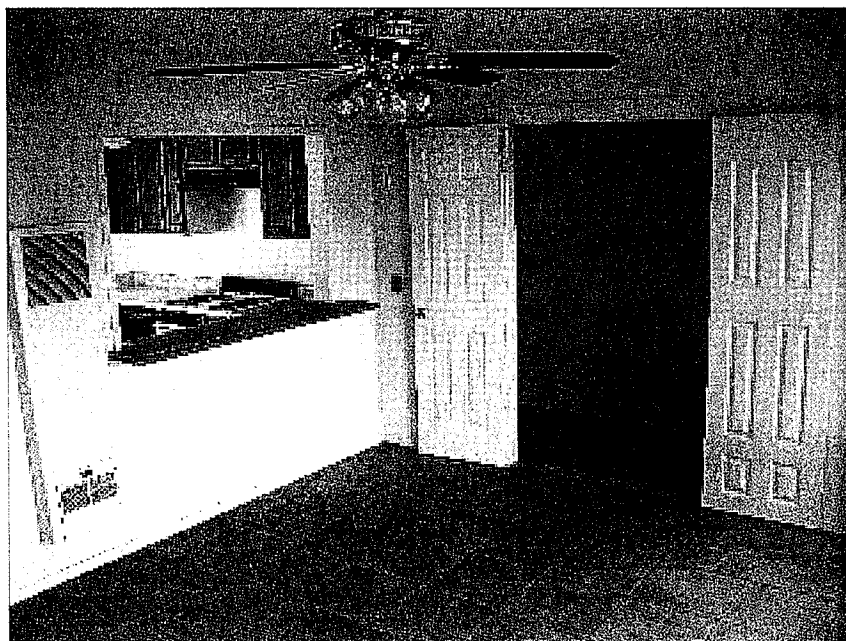
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# ATTACHMENT 1

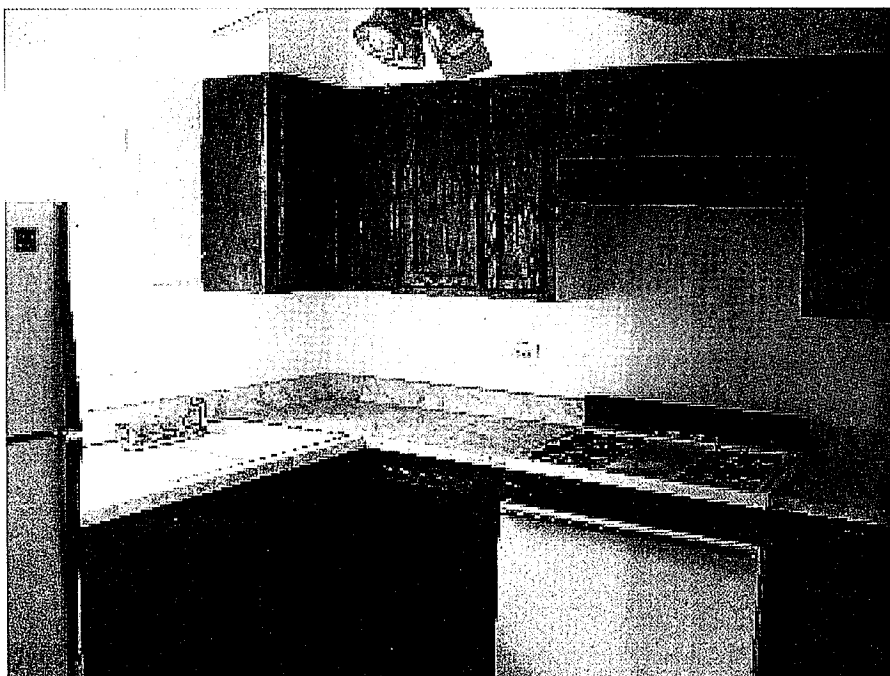


VICINITY MAP

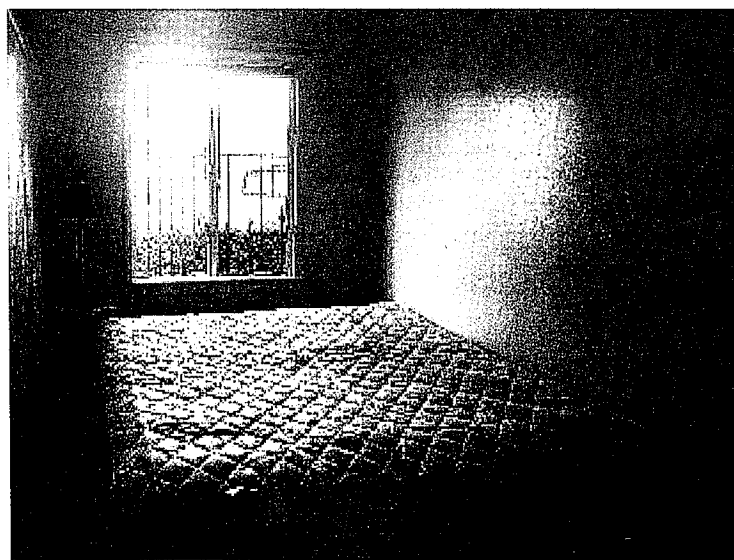
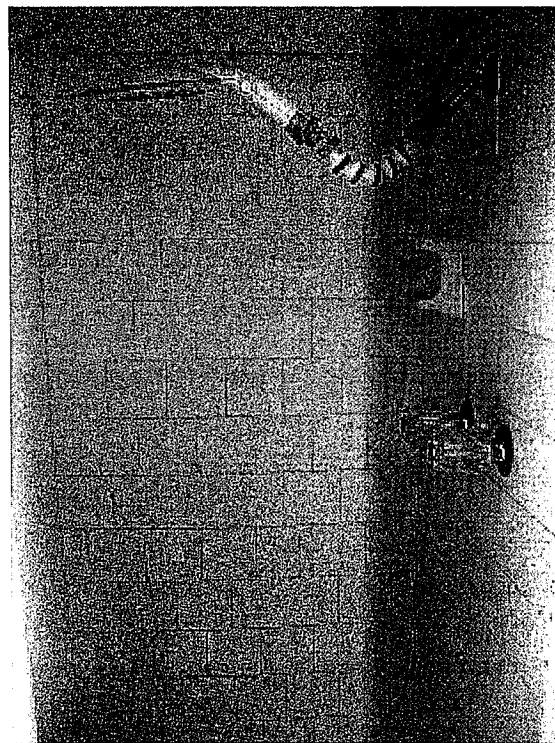
2278 Newport Blvd.



Interior photos of Units 9 and 11



Interior photos of Units 9 and 11



Interior photos of Units 9 and 11